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Source: *World Review of Political Economy*, Vol. 9, No. 3 (Fall 2018), pp. 296-314

Published by: Pluto Journals

Stable URL: https://www.jstor.org/stable/10.13169/worlrevipoliecon.9.3.0296

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MARXISM AND ITS SINICIZED THEORY AS THE GUIDANCE OF THE CHINESE MODEL

The "Two Economic Miracles" of the New China

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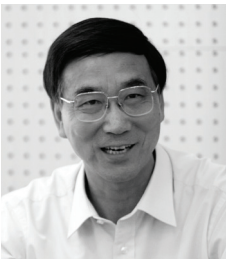

Abstract: This article first sets forward the multiple connotations, diversity, and holism of Marxism, with the stress on a correct understanding of the meaning of Sinicized Marxism. Based on objective facts and statistical data, it then explains the two economic miracles now incorporated into the Constitution, namely, the great economic achievements registered under the guidance of Mao Zedong Thought and the still greater economic achievements under the theoretical guidance of socialism with Chinese characteristics. The article then elaborates on the economic component of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and the new ideas on productive forces and the economic system. It concludes by pointing out that in the new era, China's economy has attained a "quasi-center" status, and is drawing close to the countries at the "center." In this process, the idea that Chinese socialism has nothing to do with Marxism is a clearly ungrounded assertion that reflects an inadequate understanding both of Marx's conception of history, and of the challenges facing the Chinese people.

Key words: sinicization of Marxism; socialism with Chinese characteristics; Mao Zedong Thought; Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; Marxist political economy

The year 2018 marks the 200th anniversary of the birth of Karl Marx, the 69th anniversary of the founding of the People's Republic of China, and the 40th anniversary

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of the beginning of China's reform and opening up. In a number of previous works (Cheng and Ding 2017; Cheng and Xin 2011), I presented an analysis of the economic model underlying China's socialist market economy, and these works have received some attention from international academia. Now we need to clarify further what Marxism means, how the theory of sinicized Marxism is being applied, and the great achievements known as the "two economic miracles." On that basis, it is possible to explain the still greater achievements that are in store under the guidance of the economic ideas implicit in Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and to promote the advance of China from the position of a "quasi-center" within the world system toward that of the "center." In this process, the idea that Chinese socialism has nothing to do with Marxism is a clearly ungrounded assertion that reflects an inadequate understanding both of Marx's conception of history and of the challenges facing the Chinese people.

1. What Is Marxism, and What Is the Theory of Its Sinicization?

Marxism has a broad content, and only through multi-level differentiation based on its theoretical connotations, temporal span, and spatial scope can we truly understand its diverse yet holistic character. First, and taking Marxism in a broad theoretical sense, at least six levels can be distinguished within its content: (1) the role of the subject of its creation was played by Marx and Engels, whose legacy was then continuously enriched by their successors; (2) Marxism forms an academic system dealing with the general law of the development of nature, society, and the human mind; (3) the social function of Marxism is to develop a system of ideas that posit the socialist revolution, socialist construction, and the transition to communist society as the tasks of the working class and its party; (4) Marxism develops a system of ideas and principles dealing with the improvement of people's living standards and with the full and free development of the human being; (5) it develops a cultural and ideational system of beliefs and basic values; and (6) it develops an international system of peaceful development and of the shared community of humankind.

Second, two main channels or platforms, government and academia, are involved in the inheriting and developing of Marxism, with Marxist scholars and politicians as the two main subjects. This is not to say that people outside of these two circles cannot develop Marxism, but rather that they have not acted as the major subjects of this development. Ever since Marx and Engels created Marxism, Marxist politicians and scholars have kept developing its ideas, making indigenous innovations that take into account national and world conditions. Despite certain mistakes, this process of nationalization has in general carried forward the expansion and development of the Marxist theoretical system. As the main

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subjects of this process, Marxist politicians and scholars need to build a dialectical relationship of positive interaction and common development.

Third, the history of Marxism in its wide temporal span includes development brought about by classical writers and revolutionary leaders in different periods, such as Marxism as created by Marx and Engels in the era of free capitalist competition; Marxism as developed by Lenin and Stalin in the era of general monopolistic capitalism and of socialist construction in the Soviet Union (known as Leninism and Stalinism, respectively); Marxism as developed by Mao Zedong in the eras of the New Democratic Revolution, of the socialist revolution, and of socialist construction (known as Mao Zedong Thought); and Marxism as developed by Deng Xiaoping, Jiang Zemin, Hu Jintao, and Xi Jinping in the era of socialist reform (i.e., the theory of socialism with Chinese characteristics). Marxism also includes the history of the development of Marxist philosophy, economics, political science, cultural studies, and so on.

Fourth, Marxism in spatial terms takes a variety of forms in different national contexts. For example, Leninism represents the Soviet version, Mao Zedong Thought and socialism with Chinese characteristics are its sinicization, Ho Chi Minh Thought is its Vietnamese version, Kim Il-Sung's thought on the main tasks of the party is the Korean version, and so on. Marxist economics encompasses the schools of Monopoly Capital, the Social Structure of Accumulation, and the World System in the United States; the School of Adjustment in France; the Uno School and Mathematical Marxism in Japan; the Comprehensive School of Innovative Marxist Economics; and so on.

Fifth, there needs to be a correct understanding of the sinicization of Marxism. The issues involved in this concept were raised by Mao Zedong in 1938 (Mao 1989, 202). The history of the Communist Party of China (CPC), now extending over almost a century, is objectively the history of the integration of Marxism–Leninism with the concrete practice of the Chinese revolution, of construction and of reform. It is the history of China's advance toward progress and prosperity, with all its twists and turns, and the history of the ideational process through which Marxism–Leninism has been inherited scientifically and continuously developed. It must be noted that with due respect to academic research, the Marxism in the "sinicization of Marxism" is used in its narrow sense and only refers to Marxism–Leninism, while Marxism in its broad sense is considered to include the two achievements represented by Mao Zedong Thought and the theory of socialism with Chinese characteristics.

2. The "First Miracle": China's Major Economic Achievements under the Guidance of Mao Zedong Thought

Mao Zedong Thought was the first theoretical achievement of the sinicization of Marxism in China. It guided the great victory represented by the new democratic revolution and by the socialist revolution and socialist construction. The birth of the New

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China, under the guidance of Mao Zedong Thought, opened the door to the great rejuvenation of the Chinese nation. Although the construction of the New China experienced various instances of interference and setbacks, it nevertheless managed brilliant economic achievements that no other country in the world has ever accomplished.

China completed its heavy industrialization in about 30 years from 1949 to 1978, before the launching of the reform and opening up policies, and established a national economic system that was relatively complete and that could maintain basic self-sufficiency relying on its own internal circulation. At the same time, it armed itself with missiles, satellites, and nuclear weapons. Over this period, China had one of the world's fastest developing economies, and its economic growth rate, with GNP increasing at an average of about 6% per year, allowed it to catch up with and surpass the vast majority of countries in terms of overall economic output. Meanwhile, the level of important indicators such as social productivity, comprehensive national strength, and the living standards of the population improved enormously compared with those before the founding of the New China. Some of the important economic gaps between China and major developed countries were being continuously narrowed. Although during this period the regions of Hong Kong, Macao, and Taiwan in China also underwent economic development, they could not match the "first miracle," that is, the development of the entire national economy of the mainland China, including industry and technology. Moreover, this was achieved under various adverse conditions including economic blockade by the imperialist countries, the rupture with the Soviet Union, the granting by China of excessive quantities of international aid, "ultra-leftist" domestic policies, and a rapidly increasing population. Therefore, the *Resolution on Several Historical Issues of the Party since the Founding of the People's Republic of China*, drafted by Deng Xiaoping, affirmed,

> Major achievements have been made in industrial construction, and independent and relatively complete industrial and national economic systems have gradually been established. . . . Agricultural production conditions have changed significantly and the level of production has improved greatly. . . . Compared with 1952 the output of grain in 1980 nearly doubled, and that of cotton more than doubled. Despite rapid growth in population, which is now close to 1 billion, we are still basically guaranteeing people's need for food and clothing relying on our own strength. . . . Both domestic commerce and foreign trade have increased greatly. . . . In 1980, the average domestic consumption level throughout the whole country, taking account of price factors, almost doubled compared with that of 1952. . . . The levels of education, science, culture, public health, and sports have been greatly raised. (Central Committee of the Communist Party of China 1981; translated from Chinese)

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The country's new Constitution, adopted by the National People's Congress in March 2018, observed that the New China had "defeated imperialist and hegemonist aggression, sabotage and armed provocations, and thereby safeguarded China's national independence and security and strengthened its national defense," before going on to state:

> Major successes have been achieved in economic development. An independent and relatively comprehensive socialist system of industry has basically been established. There has been a marked increase in agricultural production. Significant advances have been made in educational, scientific and cultural undertakings, while education in socialist ideology has produced noteworthy results. The life of the people has improved considerably. The victory in China's New-Democratic Revolution and the successes in its socialist cause have been achieved by the Chinese people of all nationalities, under the leadership of the Communist Party of China and the guidance of Marxism–Leninism and Mao Zedong Thought, by upholding truth, correcting errors and surmounting numerous difficulties and hardships.[1]

Thus, it was not any failure of the socialist planned economy that made China turn to the socialist market economy. On the contrary, the socialist planned economy retired after meritorious service, while the socialist market economy carries the cause forward and forges ahead into the future. If the socialist market economy functions well, it can register greater achievements than the traditional planned economy.

There has, however, been a consensus in recent times that Mao Zedong made us stand up, Deng Xiaoping made us rich, and Xi Jinping has made us strong. It is also said that Mao Zedong's socialism version 1.0 was poor and empty, Deng Xiaoping's version 2.0 meant affluence, and Xi Jinping's version 3.0 stands for power. These statements make a certain sense, but they are not altogether accurate. To be more precise, it was the old China that was poor and empty. When the era of Mao Zedong began with the founding of the New China in 1949, the Chinese people not only stood up, but gradually became rich and strong. Prosperity is a matter of continuous improvement, as the waves behind push the leading waves forward. China's statistics on the wealth of the people and the strength of the country over the past 70 years do not support either the contention that the well-being of the people is somehow separate from the country's strength, or the view that China did not become increasingly prosperous during the Mao years. It is therefore quite correct for Xi Jinping to stress the "bottom line," the sum of politics and principles in this case: that the development achieved during the first 30 years after the founding of the People's Republic of China should not be denied, and neither should that which occurred during the second 30-year period. The truth is that both periods, before and after the reform and opening up, have been integral parts of the almost 70-year

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history of the New China. The two periods that make up China's socialist history need to be seen as a whole. It should be said that the development before the reform and opening up, by providing the basis on which subsequent development could proceed and bring about further achievements, laid the foundations for today's advances in areas including the economy, politics, and culture. In attempting, however, to demonstrate the necessity for and the great achievements of reform and opening up, various domestic and foreign texts have adopted an attitude of historical nihilism toward the development during the first 30 years. These texts speak only of mistakes and shortcomings, going so far as to use distorted means as they basically deny and misrepresent the relations of inheritance and development that link the epochs before and after reform and opening up. This is something very harmful for people who try to obtain a scientific understanding of the historical development of China's steadily increasing prosperity, to summarize the historical experience and lessons in China objectively, and to grasp the law of scientific development. President Xi Jinping's report to the 19th CPC National Congress provides an accurate and objective description of the processes at work here:

> The Chinese nation, which since modern times began had endured so much for so long, has achieved a tremendous transformation: it has stood up, grown rich, and is becoming strong; it has come to embrace the brilliant prospects of rejuvenation. . . . [The Chinese Communist Party] united the people and led them in completing the socialist revolution, establishing socialism as China's basic system, and advancing socialist construction. This completed the broadest and most profound social transformation in the history of the Chinese nation. It created the fundamental political conditions and the institutional foundation for achieving all the development and progress in China today. Thus was made a great transition: The Chinese nation reversed its fate from the continuous decline of modern times to steady progress toward prosperity and strength. (Xi 2017)

The report emphasizes that since the founding of the New China, "China has continued to become prosperous and strong" (Xi 2017).

3. The Theory of Socialism with Chinese Characteristics Guides China in Attaining Greater Economic Achievements, Namely, "the Second Miracle"

Deng Xiaoping Theory, the important thought of the "Three Represents" and the Scientific Outlook on Development, and Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era together make up the theoretical system of socialism with Chinese characteristics. They constitute another theoretical achievement of the

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sinicization of Marxism, which has guided the reform and opening up to consistently remarkable achievements.

During the 40 years of reform and opening up, China's national economy has taken off at an accelerated rate. Annual Chinese GDP growth over this period has averaged about 9%, which ranks first in the world, and is far higher than the global economy's average growth rate of about 3% during the same decades. China's growth has been much faster even than that experienced in Germany, Japan, and the United States during their industrial rise or "golden age of development." At present, China's national economy and foreign trade are both ranked second largest in the world, while the country's foreign exchange reserves are the world's largest. A series of remarkable "Chinese business cards," such as the successful launch of the Shenzhou manned spacecraft series, the Chang'e lunar exploration project, high-speed rail, the Tianhe computer, Beidou navigation, the laser 3D printer, and so on, are powerful witnesses to the "Chinese miracle," and indicate that China's comprehensive national strength and international status are also in the global front rank. China's annual per capita GDP has reached more than 8,000 US dollars. The living standards of the population are close to making a historic leap from adequate food and clothing to the point where they represent a comprehensively well-off life. At the same time, China has also scored remarkable achievements in democracy, cultural prosperity, social development, national defense, and diplomacy.

If one compares China's industrial prowess with that of the United States, Germany, or Japan, our military power with that of the United States, the state of China's natural environment with that in Australia or New Zealand, living standards with those of Denmark or Norway, or football performance with that of Germany, one would find that China is far from being the best in every respect. This kind of comparison might be acceptable, but it is not comprehensive or scientific. A comparison involving a single item can motivate us to forge ahead, but to conclude that China is not impressive or advanced would be very one-sided. In terms of people's wealth and of China's national strength, the best comparisons are longitudinal, meaning that a comparison should be made between the old China before 1949 and the new one since then. As for horizontal comparisons between China and other countries, an appropriate one might be with India, which before its independence from Britain shared many of China's basic national conditions. Or, the growth rates in China of certain important indices might be compared with those in the United States and Sweden. If we make our comparisons in this scientific manner, the conclusions are obvious.

First, let us take GDP, as measured by the purchasing power of a country's population. According to the World Bank database, China's economic aggregate in 2016 on a purchasing power parity (PPP) basis was RMB 21.4 trillion yuan,

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which had surpassed the United States with RMB 18.6 trillion yuan, and India with RMB 8.7 trillion yuan.[2] Measurement and comparison on a PPP basis is relatively scientific. PPP is calculated on the basis that the exchange rate between two currencies should reflect the ratio of the purchasing power of these currencies per unit. For example, let us suppose that a basket of commodities with the same quantity and quality costs 40 yuan in China, while it costs $10 in the United States. For this basket of goods, the yuan's PPP with the dollar is 4:1, or the purchasing power of 4 yuan equals that of 1 dollar. According to the exchange rate, China's economic aggregate is the second largest in the world, yielding place only to that of the United States. But since the exchange rate varies dramatically, the comparison is not very objective. International Monetary Fund statistics put China's 2016 GDP per capita based on PPP at US$15,424, and that of India at US$6,658.[3] China has a large population, and when expressed in per capita terms its GDP is still small compared with that of developed or even of some developing countries. But if China's population starts to decline, the figure for GDP per capita will be more indicative of people's prosperity and of the country's strength, as well as of the achievements of economic and social development.

Second, let us examine an index of modernization. According to the data provided by He Chuanqi's (2016) "Modernization Index of the World 2013," countries are ranked on the basis of 10 aggregative indicators. Sweden scored 100 points and won first place. The United States scored 97.3 points, ranking 6th. China gained 40.1 points, ranking 73rd, while India received 22.5 points and ranked 99th.

Third, let us take a wealth index. In 2016, the per capita wealth of Chinese households was RMB 169,000 yuan, of which the net value of real estate accounted for 66% (69% in urban and 55% in rural areas). The value of household cars accounted for a high proportion of movable property (China Institute of Economic Trends 2017). According to data provided by the Credit Suisse Research Institute's Global Wealth Report 2016, the average wealth of Chinese adults in 2016 was US$22,864 (RMB 158,000 yuan), which in world terms may be categorized as medium–low.[4]

From the above data, one can see that the speed of development of the People's Republic of China since 1949 has been faster than other countries, especially since the reform. India, which started from a similar position, has been left far behind. I have visited India twice, where I talked with Indian professors of economics and with leaders of the Indian Communist Party. We reached a consensus that if the Communist Party of India cannot take power and initiate socialism, and if China does not turn to capitalism, then the economic and social development of India may never catch up with that of China. There is a strain of public opinion inside China and abroad which deems that although India, as the largest democratic

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country in the world, has fallen behind China for the moment, it may catch up within a few years. In fact, the different development paths and systems the two countries have adopted make it certain that India cannot catch up with China except in population. In the late 1940s, China and India had a similar GDP per capita, while India's natural and geographical conditions were much more favorable than those of China; for example, cultivated land per capita in China was less than half of that in India. However, if one compares the development of the two countries, whether in the Mao Zedong era or in that of reform and opening up, it becomes clear that India's performance has been greatly inferior. In general, India today lags 15 to 20 years behind China.

The root cause of this lag is that India is guided by the ideology of the monopolized bourgeoisie, whether this ideology takes the form of "social democracy" or "neoliberalism," while China is guided by Marxism and its development within the local setting.

4. The Economic Component of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, with the New Development Concept as Its Main Content

In 2017, the central economic work conference first put forward the economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, with the new development concept as its main content. Representing the theoretical crystallization of the party's economic development practice since the 18th CPC Congress, this economic thought in the new era constitutes China's latest achievement in the field of Marxist political economy, and serves as the guiding ideology for still greater economic and social achievements.

First, the principles of Marxist political economy hold that the productive forces are the most revolutionary and active factor driving development. The people who master advanced science and technology and management methods play a core role in advancing the productive forces, while scientific and technical innovation plays a decisive role in leading the development of production forward. Based on the general principles of Marxist political economy, political economy with Chinese characteristics emphasizes that the fundamental task in the primary stage of socialism is to emancipate and develop the productive forces, to advocate independent innovation, and to build an innovative country. The economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era maintain that innovation is the primary driving force leading development. The essence of innovation lies in the transition from high-speed economic growth in the past to high-quality economic development in the new era. To this end, China must actively implement innovation-driven strategies, and promote new advances

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in major areas of scientific and technological innovation. It must vigorously cultivate new driving forces and a range of innovative enterprises, to facilitate the transformation from China as a manufacturing power to China as one of the world's leading innovators, and to shift the emphasis from the speed of China's growth to its quality. In the first half of 2018, the violation of WTO rules by the United States, together with the trade wars and scientific and technological warfare waged against China, was highlighting the alarm felt in the United States at China's ambitions in high-tech areas.

Second, the principles of Marxist political economy hold that the proportionate distribution of social labor is the basic law for coordinating the development of the whole national economy and the contradictory relationship between production and social demand.

Proportionate distribution means that the total social labor embodied in human resources, capital stock, and social wealth should be distributed proportionately among various sectors of social production and the national economy, so as to maintain a balance among various economic relationships. The political economy of socialism with Chinese characteristics emphasizes comprehensive, coordinated, and sustainable development, together with comprehensive balance. In the economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, coordination is viewed as an inherent requirement of harmonious and healthy development. The essence of coordination lies in the dialectical unity of "stability" and "progress," understanding these two elements as parts of a single whole, and while grasping the rhythm of the government's work. The key to harmonious development lies in balancing all policies and strengthening their coordination. As this indicates, coordinated development provides the basic guarantee for pursuing progress while maintaining stability, and for promoting high quality. It is also reflected in eight key tasks and in three central objectives: preventing major risks, alleviating poverty, and preventing or controlling pollution.

Third, the principles of Marxist political economy hold that natural forces present in the environment should be coordinated with the forces of labor and of science and technology. Natural forces are the material cornerstones of the productive forces, and of economic and social development. The political economy of socialism with Chinese characteristics emphasizes the benign relationship between population, resources, and environment, and the sustainable development of these three elements. Xi Jinping's economic thought maintains that sound environmental perspectives are a necessary condition for sustainable development. The essence of these perspectives lies in speeding up the construction of ecological civilization, establishing a diversified and market-oriented ecological compensation mechanism, reforming the environmental protection system, and building a beautiful China. China needs to adjust the industrial and energy structure to serve

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these ends, and to lay a solid foundation for pollution control. This new concept embodies the modern community value that seeks a shared ecological future for humankind.

Fourth, the principles of Marxist political economy hold that in line with the theory of the international division of labor, the law of international value, international production price theory, and international market theory, the opening up of a country's economy to the outside world when certain conditions are ready is beneficial to the economic growth of the country and the world, allowing an optimal allocation of resources. The political economy of socialism with Chinese characteristics emphasizes opening up to the outside world, coordinating the domestic and international markets, making use of resources, and participating actively in economic globalization so as to take advantage of its mutually beneficial, "win–win" characteristics. The economic component of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era sets forward a new pattern of comprehensive opening up, signifying a further expansion of the scope and degree of opening, along with a greater development of the ideas, structures, and institutional mechanisms involved. To this end, China should relax strictures on market access and promote balanced trade, while paying more attention to increasing added value and improving export quality. It should expand imports, vigorously develop service trade, press ahead with testing pilot areas of free trade, and effectively guide and support foreign investment.

Fifth, the principles of Marxist political economy hold that the direct and final purpose of production under socialist public ownership, unlike under private ownership, is to meet the material and cultural needs of the whole people to the maximum extent possible. The political economy of socialism with Chinese characteristics emphasizes the role of the people as the subject of development; it depends on the people to carry development forward, while pursuing development for the people and ensuring that the achievements of development are shared among the people. In the economic component of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, it is maintained that sharing is the aim of people-centered development. The essence of sharing is the improvement of people's livelihoods, which will enhance their sense of well-being and happiness. To this end, China should focus on solving the most acute problems of the masses, responding actively to their concerns and projecting in detail how to improve their lives in the areas of wealth and income distribution, poverty alleviation, employment, housing, education, medical and health care, social security, and so on. The new concept which holds that "development is the improvement of people's livelihoods" fully embodies the principles and fundamental positions of the political economy of socialism with Chinese characteristics.

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5. Promoting Economic Development in the New Era with Xi Jinping's New Thoughts on the Productive Forces and the Economic System

In the conference organized to commemorate the 200th anniversary of the birth of Marx, Xi Jinping pointed out that

> learning from Marx means deepening the reform in an all-round way. It means consciously adjusting the relations of production in order to enhance the vitality of the productive forces, and consciously adjusting the superstructure in line with the need to develop the economic foundations. It means basing ourselves on the study and practice of Marx's thought on the relationship between productive forces and relations of production, so as to develop socialism with Chinese characteristics in a way more consistent with the law. (2018; translated from Chinese)

Most of the cadres in China, and the majority of the masses, are deeply aware of Xi Jinping's thought on productive forces and relations of production (that is, the economic system), and this has led to outstanding new achievements in economic development during the new era. The international community (both the academic community, and the community in general) can also learn about the driving force and strategy, inspired by Xi's thought, that lies behind the continuous "miracles" of China's economy.

In the first place, the development of the productive forces is led by science and technology. Inheriting and developing the related elements of Marx's economic thinking, the economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era insist on the emancipation and development of the social productive forces, within which scientific and technical innovation holds the primary place. To this end, it is necessary (1) to accelerate the application of the achievements of innovation to the real productive forces, breaking down the obstacles that exist in the areas of system and mechanism; (2) to put more emphasis on developing the basis of innovation—that is, human talents. It is important for the Chinese people to assemble around a group of leaders, people with international vision and abilities, who stand at the forefront of various industries; and (3) to point out that the key to a country's competitiveness is the possession of core technologies, and the most vital core technologies should be based on a country's own research and development, independent innovation, and self-reliance. It is impossible to obtain the most advanced technologies via market exchange. Therefore, China must reverse the traditional concept that holds that "renting high-tech goods is better than buying them, and buying high-tech goods is better

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than manufacturing them." Of course, independent innovation does not mean isolating oneself from the outside world in conducting research and development. China must seek open innovation, correctly managing the relationship between original innovation, integrated innovation, and the re-innovation that is based on the introduction and assimilation of advanced technologies from other countries. Correctly gauging China's status in relation to its international competitors, and basing himself on its national conditions and prior experience, Xi Jinping has clarified for us the extreme importance of talent, science and technology, and independent innovation for developing the socialist productive forces.

China now must vigorously implement the fundamental thinking of Xi Jinping on the development of science and technology and of human talents, firmly grasping the primary driving force of development—innovation. It must implement the independent intellectual property strategy, from the enterprise level up to that of industries and the nation as a whole, so as to build the competitiveness of both enterprises and the country in terms of brand creation, the formulation of technical standards, and discoveries in the field of scientific theory. It is only in this way that China will carry out economic restructuring and upgrading, constantly implementing and eventually leading the world scientific and technological revolution.

A second question relates to the fundamental character of the economy. A country's basic economic system, rooted in the structure of ownership, determines the essential pattern of economic property. Inheriting and developing the relevant economic ideas of Marx, Xi Jinping's economic thought points out that Marxian political economy and *Das Kapital* are not out of date. Seen from the vantage point of the current international financial crisis, the sustained economic downturn, along with the polarization and social contradictions faced by many Western countries, shows that capitalism's inherent contradiction between the socialized productive process and the private ownership of the means of production still exists. This is the case even though the forms and features of this contradiction have changed over time. Xi Jinping's economic thought further points out that it is necessary to maintain and perfect the socialist basis of the economic system, steadfastly consolidating and developing the publicly owned economy, while unswervingly encouraging, supporting, and guiding the development of the non-public economy. China should aid the mutual promotion and common development of all kinds of ownership entities while insisting on the dominant position of public ownership and the state-owned economy. This will provide a systematic guarantee that the gains achieved through development will be shared among Chinese people of all ethnic groups, and will help ensure that the party's ruling position will be consolidated and that the socialist system in China will be maintained. Xi Jinping's economic thought emphasizes that reform of the mixed ownership system should adhere to the policy of increasing the value of state-owned

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assets, improving the competitiveness of the state-owned economy, amplifying the function of state-owned capital, deepening the reform of state-owned enterprises, and improving and strengthening the management of state-owned enterprises and other assets. It is through these principles and measures that China will steadfastly strengthen and expand state-owned enterprises (including state-owned capital), rather than allowing them to be weakened. Xi Jinping's economic thought states that rural areas should optimize the relationship between "division and unification"; they should constantly improve the system of the "division between three rights" in household contract land, actively develop rural collective management and collective economic strength, and actively develop farmers' professional cooperatives. These are the effective agricultural organizing forms that will increase farmers' incomes and develop modern agriculture. China should resolutely undertake the three tasks of the Rural Revitalization Strategy—developing modern agriculture, increasing farmers' incomes, and building a new socialist countryside.

It can be seen that Xi Jinping has put particular emphasis on analyzing the superiority of the basic economic system of socialism with Chinese characteristics. He has clarified the importance of public ownership taking the dominant position, of the state-owned economy playing the guiding role, and of enterprises with different forms of ownership coordinating to enhance development. Currently, China is practicing the resolute thinking, put forward by Xi Jinping, of unswervingly adhering to and improving the basic economic system of the preliminary stage of socialism. This involves, especially, enabling the state-owned enterprises to become the key forces implementing the new concept of development and of bringing about a comprehensive deepening of the reform; of implementing the strategy of "going abroad," as well as other significant strategies such as the Belt and Road initiative; of strengthening China's comprehensive power; of promoting socioeconomic development; of safeguarding and improving the people's livelihoods; and in general, of allowing China to prevail in the great struggle with its many new historical characteristics. This course involves a focus on "satisfying the increasing material and cultural demands of the people" as the goal for social production, instead of pursuing higher profit rates or pure economic growth. The course is thus an expression of the affinity with the people, that is, the distinguishing mark of the political economy of socialism with Chinese characteristics, and it is also the necessary choice for realizing the people's happiness and freedom (Shen 2017).

A third consideration is the basic distribution system. Within a society, the nature of this system is determined by the basic economic order, constituted by the structure of ownership. The economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era carries forward and develops the economic thought of Marx in the corresponding fields, and holds that the reasons for

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inequality in Western countries such as the United States lie in the distribution problem, located at the surface, and in the ownership problem, which is at the root. It argues that at the preliminary stage of socialism, due to the underdevelopment of the productive forces, we must maintain and defend the basic economic system in which public ownership holds the dominant position, and various forms of ownership cooperate and develop together. As a result, it is necessary to maintain a basic system of distribution in which work constitutes the main element, with various factors of production participating in the distribution on the basis of their property rights. Within this system, the stress is on the concept that development must center on the people, and that to increase the incentive for development and strengthen the solidarity of the people, the thrust of development must be in the direction of common prosperity. The results of development must be shared more widely, and the work of supporting the poor must be improved, so as to eliminate poverty and increase the people's sense of well-being. This means that China should reduce the income gap; persist with synchronizing the increase of people's incomes with economic growth; ensure that the increase in labor remuneration proceeds in line with labor productivity; perfect the mechanisms for wage determination, regular wage growth, and guaranteed payment; and improve the mechanism for increasing the minimum wage.

As can be seen, Xi Jinping carries forward Marxist economic thought in the areas concerned, expanding the study of the basic distribution system of socialism with Chinese characteristics while explaining its advantages. Currently, China is comprehensively implementing the new concept of sharing and the principle of common prosperity expounded by Xi Jinping. In the process, China is reforming the wealth and income distribution system and the associated mechanisms, tackling the mutual promotion relationship that links fairness with efficiency in the distribution field, winning the battle against poverty, and further enhancing the satisfaction and happiness of the masses.

A fourth area that deserves comment is the basic economic adjustment system. In modern society, the key element in this system consists of the relationship between the government and the market. Xi Jinping's economic thought carries forward and develops the related areas of Marxist economic thought, maintaining that in the preliminary stage of socialism that precedes the attainment of communist society, China should set in place a socialist market economy. To construct this economy, Xi Jinping points out that China needs to pursue socialist market reform, adhering to dialectics and to the unity of opposites. It should continue to devote time and energy to combining the basic systems of socialism with the market economy, and to bringing the advantages of these two elements into play. In this fashion, Xi Jinping expounds the central thrust of China's economic reform, which aims to have the market play a decisive role in allocating resources while

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allowing the government to better perform its own function—that is, to bring about a situation in which both the "invisible hand" and the "visible hand" play their roles effectively. Xi Jinping emphasizes that China should not only promote the marketized reform actively and safely, in scope and in depth, thus considerably reducing the need for the government to directly allocate resources, but also try to ensure that the government plays its role better. This requires maintaining macroeconomic stability, strengthening and optimizing the work of the public service, safeguarding fair competition, strengthening market supervision, maintaining market order, promoting sustainable development, promoting common prosperity, and offsetting cases of market failure. From a practical angle, implementing the five development concepts that identify innovation as the driving force, and sharing as the development goal, relies basically on the government providing appropriate guarantees (Wu and Li 2017).

It can be seen that Xi Jinping puts particular emphasis on expounding the dual adjustment system of the socialist market economy, with its organic combination of government and market. His thinking on these two elements sets out the complementary and progressive relationship between critique and construction. China is now actively implementing the essence of Xi Jinping's thought on making the market and government perform better in their respective roles, that is, utilizing the beneficial function of market adjustment to overcome "government adjustment failure," and utilizing the ability of government adjustment to correct "market adjustment failure." In this way, the transformation of economic growth from high speed to high quality is promoted, and the construction of a modern economic system is accelerated.

Fifth, the relationship between economic globalization and China's system of opening up needs to be considered. From the time when the capitalist mode of production and colonialism began expanding around the world, the economies of various countries have gradually become globalized, with these countries establishing systems of opening up to different extents and in different ways. The economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era extend and develop Marxist thinking in the relevant areas, pointing out that China should adhere to the basic national policy of seeking a two-way opening up. China needs to coordinate the two overall situations, domestic and international, making better use of the domestic and international markets and of the resources they offer. We need to develop the open economy at a higher level, and to participate actively in reciprocal, "win–win" global economic governance. At the same time, China would unswervingly defend its development interests, take strict precautions against various risks, and ensure its own economic security, while leading the international community in establishing a new economic order that features economic security for all countries. The economic ideas of Xi Jinping Thought on

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Socialism with Chinese Characteristics for a New Era also emphasize that China should continue to optimize the geographical distribution of the regions that are at the forefront of opening up. It should avoid duplication among these regions and cutthroat competition between them. We should promote the importing of advanced technology and of products of which China is in urgent need, while exporting products along the whole industrial chain, including products of high quality and with high value added. China should enhance the international division of labor, strengthen the coordination of international capacity and equipment manufacture, negotiate appropriately to create free trade areas and investment agreements, actively participate in global economic governance, and efficiently utilize foreign capital based on making full use of its domestic capital and foreign exchange reserves. In particular, China should speed up the international cooperation and construction in relation to the Belt and Road initiative, ensuring that the Asian Infrastructure Investment Bank, the Silk Road Fund, and other institutions play their supporting roles and that important pilot projects are completed.

As can be seen, Xi Jinping analyzes the new changes that the 21st century has brought to economic globalization. He advocates and practices the new pattern of fair, mutually advantageous economic globalization and opening up, taking the Belt and Road initiative as his focus. In the new era, China is seriously and openly implementing the concept of bringing about a common human destiny, marked by a new type of cooperation and by "win–win" international economic relations. Furthermore, China promotes autonomous thinking that takes self-reliance as its base point, aiming to establish an equal, open economic system that takes comprehensiveness and bilateralism to a higher level. China wisely opposes narrow-minded trade protectionism and financial hegemonism, seeking to maximize the welfare of its people in the new open setting, while safeguarding its economic security and accelerating the construction of a powerful modern country.

6. Conclusion: China Has Accomplished the Remarkable Feat of Becoming a "Quasi-Center" of the World System

In his report to the 19th National Congress of the CPC, Xi Jinping stresses that China in the new era "is approaching the center of the world arena and continuously making more contributions to humanity" (Xi 2017). This is consistent with his assertion that China is now closer to the center of world affairs than at any other time. As is well known, the world-famous Marxist economist Samir Amin (2008) advanced and demonstrated the "center–periphery" theory in his influential work *Accumulation on a World Scale: Critique of the Theory of Underdevelopment* (first published in 1970). Raúl Prebisch (1990), the famous Argentinian economist, also published his book *Peripheral Capitalism: Crisis and Transformation*. In the light of these texts, the

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question arises: Is today's China a peripheral country dependent on developed countries? The United States and other G7 countries make up the center of the contemporary world economy. China is not dependent on them, and nor is it a peripheral country; therefore, a new concept, that of a country at the "quasi-center," needs to be put forward. China's economic power, as well as its prominent position in science, education, culture, health and sports, and its role in advocating the Belt and Road initiative for international cooperation, BRICS, the Asian Infrastructure Investment Bank, the Shanghai Cooperation Organization, and so on, have demonstrated that China currently occupies the important position of being the "quasi-center" of the world economy. For reasons of space, this theme is not discussed in detail here.

In the future, it will only be through implementing the economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and especially his thinking on the five development concepts, the productive forces, the economic system, and the general plan, that China will be able to achieve its three great goals: building a well-off society in an all-round way, creating the basis for socialist modernization and for constructing a powerful socialist country, and in future, progressing from its current position of "quasi-center" of the world economy to that of "center." Meanwhile, China encounters hostile commentary in the Western media, and even in some Latin American media outlets, criticizing it for its cooperation with Latin America and Africa in the fields of investment and energy, and voicing concerns that China is imposing a new type of "center–periphery" dependency relationship. On this point, China should make clear that when its spokespeople say that their country is progressing to the "center" of the world economic arena, this does not mean that China intends to follow in the tracks of the new and old imperialist nationalism and colonialism of Western "center" countries. Nor has China any intention of following their path of utilizing the advantages of advanced economic and technological status as tools for exploiting the labor of other countries. The position that "center" China is pursuing amounts in fact to striving to promote the development of a human community of interests and destinies based on China's self-development. China needs both to catch up with the traditional "center" countries in terms of economic and technological development, to be able to cooperate on an equal basis with developed countries, and to implement cooperation which is helpful to the traditional "periphery" countries. In this way, it can provide these countries with a practical example of development, while providing leadership to the whole world in jointly establishing a new international economic order, fostering common international economic security, and through collaboration, promoting economic globalization on a fair basis. These Chinese concepts, of foreign relations based on peace, development, cooperation, and the principle of "win–win," have their roots in Marxist theory and its sinicization, especially the economic ideas of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.

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Notes

1. "The Amendment to the Constitution of the People's Republic of China." [In Chinese.] (March, 2018), http://www.npc.gov.cn/npc/xinwen/2018-03/12/content_2046540.htm.
2. See the World Bank database.
3. See International Monetary Fund (IMF) 2016 Annual Report.
4. See World Wealth Report 2016.

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